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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/502,542	02/10/2000	Bruce L Davis	60109	5321

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DIGIMARC CORPORATION
19801 SW 72ND AVENUE
SUITE 100
TUALATIN, OR 97062

EXAMINER

FADOK, MARK A

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 04/04/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/502,542

Applicant(s)

DAVIS ET AL.

Examiner

Mark A Fadok

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 January 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-14 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-14 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☒ Other: Recent changes to 101(e)

DETAILED ACTION

Response to Amendment

The examiner is in receipt of Applicant's response to Office Action mailed 10/31/2002, which was received 1/31/2003. Acknowledgement is made that no claims have been amended leaving claims 1-14 as pending. Applicant's arguments have been carefully considered, but were found not to be persuasive, for this reason the previous rejection is restated below.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 8 and 9 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Kenny (6,381,583).

In regards to claim 8, Kenny discloses in an on-line shopping method, an improvement comprising displaying a virtual shopping aisle with graphical - rather than strictly textual - representations of items for sale (abstract and **FIG 4**), wherein items of potential interest to a shopper are presented more prominently than other items (**FIG 7, Special Today**).

In regards to claim 9, Kenny teaches identifying items of potential interest by reference to the shopper's prior shopping history (**FIG 7, Reorder Item**).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 2 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scroggie view of Official Notice and further in view of Kenny.

In regards to claim 1, Scroggie teaches a method comprising: presenting a collection of retail items, each having an indicia associated therewith, in a bricks and mortar store offering items for sale; sensing the indicia associated with selected ones of

said items (FIG 13, Item 312); compiling a list identifying the items whose indicia were sensed (FIG 14, block 406 maintains a database of customer purchase histories, and col 12, lines 1-67); storing said list in a data structure associated with a user (col 12, lines 8-42); and later recalling said list (col 12, lines 24-42); using said recalled list to present a customized selection of items in an on-line shopping environment. Scroggie teaches that while on-line, accessing the customers purchasing history, then selecting one or more purchasing incentives based on some aspect of the customer's prior shopping history (FIG 14, col 12, lines 7-67 and col 13, lines 1-46), and the emerging technology of online shopping (col 1, lines 26-35), but does not specifically mention that the scan data is presented to the user in a shopping environment. It is old and well known in the art that profile/preference data stored in databases and available on-line can be readily accessed and used in online shopping environments. It would be obvious to a person of ordinary skill in the art to include in Scroggie presenting scanned data to a shopper in an online shopping environment, because users shopping on-line could also benefit from the targeted incentives and the additional data would increase the effectiveness of the Scroggie. Further, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include the scanned data in a preference/profile database on-line, since it has been held that rearranging parts of an invention (where the database information is presented) involves only routine skill in the art. *In re Japikse*, 86 USPQ 70.

Moreover, Scroggie teaches a customized selection of items, but does not specifically mention identifying a subset of items from a customized selection of items.

Kenny teaches selecting reorder items from a list (FIG 10A). It would be obvious to a person of ordinary skill in the art to include in Scroggie the selection of items from a customized list as taught by Kenny, because the user may not want to order all the products or items displayed and might only want a selected group, and the inclusion of the teachings of Kenny would allow this selection process to occur.

In regards to claim 2, Scroggie teaches sensing comprises scanning at a checkout stand of said store (FIG 3, item 312).

In regards to claim 7, Scroggie teaches that while on-line, accessing the customers purchasing history, then selecting one or more purchasing incentives based on some aspect of the customer's prior shopping history (FIG 14, col 12, lines 7-67 and col 13, lines 1-46), and the emerging technology of online shopping (col 1, lines 26-35), but does not specifically mention that information gathered during online shopping is presented to a user in connection with a brick and mortar shopping environment. It is old and well known in the art that collected profile/preference data stored in databases and available on-line can be readily accessed and presented in any number of environments including a brick and mortar shopping environment. It would be obvious to a person of ordinary skill in the art to include in Scroggie the recalling of said logged database records in a brick and mortar store from preference data collected from an online shopping environment, because users in brick and mortar stores could also benefit from the targeted incentives and the addition of this data would increase the usefulness of the teachings of Scroggie. Also, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include information from an

online shopping experience in a preference/profile database then later use it in a brick and mortar shopping environment, since it has been held that rearranging parts of an invention involves only routine skill in the art. *In re Japikse*, 86 USPQ 70;

Claims 3-6 and 12-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kenny (6,381,583) and further in view of Official Notice.

In regards to claim 3, Kenny discloses recalling a list of products associated with the user (col 1, lines 49-57); presenting products from said list to the user for selection (col 1, lines 47-52); receiving user selections of products to be purchased (col 1, lines 46-48); receiving an indication that the user is finished selecting products (FIG 10A); Kenny teaches identifying a user, but does not specifically mention that a login identifier is used to identify the user. It is old and well known in the art that computer users who are shopping or purchasing products online are identified at some time, perhaps during login. It would be obvious to a person of ordinary skill in the art to include in Kenny a user login identifier, because this information would be needed to associate the user with previous purchase history stored in a database (col 1, lines 40-56).

Kenny also teaches additional lists can be automatically available at the beginning of the interactive virtual shopping session, including pre-prepared lists of items routinely purchased, items purchased in the past, and items due for reorder based on prior purchase history (col 4, lines 23-28), but does not specifically mention querying the user regarding the possible purchase of an item not selected by the user but on said recalled list, before completing the online shopping session. The Examiner notes that

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comparing lists and deriving a resultant differential is old and well known in the art and could have been used in Kenny if so desired. Also, in regards to the timing of the query (when the query is done), it would have been obvious to one having ordinary skill in the art at the time the invention was made to make a query at the end of the shopping session, since it has been held that rearranging parts of an invention involves only routine skill in the art. *In re Japikse*, 86 USPQ 70.

In regards to claim 4, Kenny discloses a computer storage medium having instructions thereon causing a computer to perform the process of claim 3 (see response to claim 3).

In regards to claim 5, Kenny teaches selecting said item in accordance with a procedure that depends, in part, on the passage of a predetermined interval of time without the user selecting said item for purchase (col 6, lines 24-37).

In regards to claim 6, Kenny teaches selecting said item only if the total price of items selected by the user meets a pre-determined criterion. Kenny teaches programming means for displaying various lists of previously ordered products (col 6, lines 4-67) with the information provided in these lists including price (col 4, lines 4-65). Since Kenny does not limit the criterion by which the list is assembled and offers the user the means to establish when a list will be provided automatically, including a list that included items priced over a certain price level, the feature is considered to be inherent in the teachings of Kenny.

In regards to claim 12, Kenny teaches in which the item not selected by the user, but on said recall list associated with the user, is a dessert or cookie item. Kenny does

not limit the type of product that is presented on its list, therefore, the items that were not selected from a list presented to the user could include any number of products including deserts or cookies.

In regards to claim 13, Kenny teaches in which the item is the subject of said query only if said item has not been purchased by the user for a predetermined period (col 9, lines 14-33).

In regards to claim 14, Kenny teaches in which the item is the subject of said query only if the user has demonstrated a prior purchasing habit related to said item, and the omission of said item is not in accordance with said demonstrated habit (col 1, lines 25-30).

Claims 10 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scroggie, and further in view of Jelen et al (6,129,276).

In regards to claim 10, Scroggie teaches sensing said selected items along aisles at which said items are displayed, away from a checkout stand. Scroggie teaches sensing selected items, but does not specifically teach sensing selected items along aisles at which said items are displayed. Jelen teaches a portable barcode reader system that can be transported to the aisles where products can be scanned (abstract, FIGs 1 and 2). It would be obvious to a person of ordinary skill in the art to include in Scroggie the portable barcode scanner and display system that is taught by Jelen, because the incentives that are offered by Scroggie could be provided at an earlier time, when a product is selected and could influence the product selection decision before the

items are brought to the counter for check out where it is unlikely that a change in buying behavior would occur.

In regards to claim 11, Scroggie teaches sensing an RFID identifier (Jelen col 10, lines 3-6).

Response to Arguments

Applicant's arguments have been carefully considered, but were found not to be persuasive.

In regards to Applicant's argument that claim 9's that FIG 7 does not include identifying items of special interest by reference to the shopper's prior shopping history, the Examiner directs the applicant's attention to reorder item, which is clearly based on a shopper's prior shopping history.

In regards to applicant's argument that the Examiner did not address the limitation in "using said recall list to present a customized selection of items in an on-line shopping environment", the applicant's attention is directed to page 4 of the previous Office action, which addresses this feature. For the applicant's ease of reference the section is restated below:

Scroggie teaches that while on-line, accessing the customers purchasing history, then selecting one or more purchasing incentives based on some aspect of the customer's prior shopping history (FIG 14, col 12, lines 7-67 and col 13, lines 1-46), and the emerging technology of online shopping (col 1, lines 26-35), but does not specifically mention that the scan data is presented to the user in a shopping environment. It is old and well known in the art that profile/preference data stored in databases and available on-line can be readily accessed and used in online shopping environments. It would be obvious to a person of ordinary skill in the art to include in Scroggie presenting scanned data to a shopper in an online

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shopping environment, because users shopping on-line could also benefit from the targeted incentives and the additional data would increase the effectiveness of the Scroggie. Further, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include the scanned data in a preference/profile database on-line, since it has been held that rearranging parts of an invention (where the database information is presented) involves only routine skill in the art. *In re Japikse*, 86 USPQ 70.

In response to applicant's argument concerning claim 7, in which the Applicant requests that the Examiner provide art illustrating the feature preference data, *logged in an online shopping environment is thereafter recalled in a brick and mortar store and used in connection with brick and mortar shopping by the shopper*, Cybul et al.

(6,246,997) Figure 1 is offered as prior art showing preference data, *logged in an online shopping environment is thereafter recalled in a brick and mortar store and used in connection with brick and mortar shopping by the shopper*.

In response to Applicant's argument regarding claim 3, requesting that the Examiner provide a reference supporting the use of Official Notice for the feature, after the user has selected desired products from the user-specific list of products- *querying the user regarding possible purchase of an item not selected by the user but on said recall list*, The Examiner provides the following new art. Bernard et al. (5,918,213) teaches the VRU 104 next optionally determines whether any items are on hold from a previous call. This occurs in a step 1412. In other words, in this step, it is determined

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whether this particular caller, 182, was in the process of ordering selections during a previous phone call, which was terminated before the order was completed. If there are items on hold, in a step 1416, the status of those items is determined. This status may result in those held items being maintained in a current order, or deleted. For example, VRU 104 may prompt the caller to either put the selections which are on hold back into the virtual shopping cart or to delete the selections from the list of items on hold (col 33, lines 1-20).

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mark Fadok** whose telephone number is **(703) 605-4252**. The examiner can normally be reached Monday thru Friday 8:00 AM to 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Wynn Coggins** can be reached on **(703) 308-1344**.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington D.C. 20231

or faxed to:

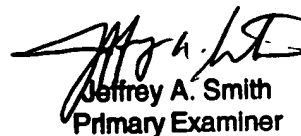
(703) 305-7687 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-7206 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.


Mark Fadok

Patent Examiner


Jeffrey A. Smith
Primary Examiner

Recent Statutory Changes to 35 U.S.C. § 102(e)

On November 2, 2002, President Bush signed the 21st Century Department of Justice Appropriations Authorization Act (H.R. 2215) (Pub. L. 107-273, 116 Stat. 1758 (2002)), which further amended 35 U.S.C. § 102(e), as revised by the American Inventors Protection Act of 1999 (AIPA) (Pub. L. 106-113, 113 Stat. 1501 (1999)). The revised provisions in 35 U.S.C. § 102(e) are completely retroactive and effective immediately for all applications being examined or patents being reexamined. Until all of the Office's automated systems are updated to reflect the revised statute, citation to the revised statute in Office actions is provided by this attachment. This attachment also substitutes for any citation of the text of 35 U.S.C. § 102(e), if made, in the attached Office action.

The following is a quotation of the appropriate paragraph of 35 U.S.C. § 102 in view of the AIPA and H.R. 2215 that forms the basis for the rejections under this section made in the attached Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

35 U.S.C. § 102(e), as revised by the AIPA and H.R. 2215, applies to all qualifying references, except when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. For such patents, the prior art date is determined under 35 U.S.C. § 102(e) as it existed prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. § 102(e)).

The following is a quotation of the appropriate paragraph of 35 U.S.C. § 102 prior to the amendment by the AIPA that forms the basis for the rejections under this section made in the attached Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

For more information on revised 35 U.S.C. § 102(e) visit the USPTO website at www.uspto.gov or call the Office of Patent Legal Administration at (703) 305-1622.